

CALIFORNIA FAIR POLITICAL PRACTICES COMMISSION  
MINUTES OF MEETING, Public Session

September 12, 2007

**Call To Order:** Chairman Ross Johnson called the meeting to order at 10:00 a.m., at 428 J Street, Eighth Floor, Sacramento, California. Chairman Johnson, Commissioners Ray Remy, Gene Huguenin, Bob Leidigh, and Timothy A. Hodson were present.

Chairman Johnson announced that the Commission meeting was being broadcast over the Commission's toll free number. The Chairman asked the members of the public who would offer comments during the meeting to identify themselves clearly so that it would be easier for the people who called in to follow the discussion.

**Item #1. Public Comment.** This portion of the meeting is reserved for comment on items not on the agenda. Under the Bagley-Keene Open Meeting Act, the Commission cannot act on items raised during public comment, but may respond briefly to statements made or questions posed, request clarification, or refer the item to staff.

Ian Trowbridge, of San Diego, California, who stated he was a scientist and retired Professor at the Salk Institute in La Jolla, commented that the San Diego County Board of Supervisors refuses to create an ethics commission, and as a result, it is incumbent on Commission staff to thoroughly investigate complaints from San Diego County and impose penalties that will serve as a deterrent to future violations.

**Item #2 Approval of the August 16, 2007, Commission meeting minutes.**

Moved by Commissioner Remy and seconded by Commissioner Leidigh to approve the August 16, 2007, Commission meeting minutes, as amended.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.  
The motion passed 5-0.

**Item # 3 In the Matter of William G. Horn, Friends of Bill Horn, and Ralph Jensen, FPPC No. 05/212.** Staff: Senior Commission Counsel Luisa Menchaca and Accounting Specialist Bob Perna. Staff presented a proposed Stipulation, Decision and Order on the following matter: Respondent William G. Horn, his controlled committee, Friends of Bill Horn, and its treasurer, Ralph Jensen, failed to deposit \$1,500 of Respondent Horn's personal funds into the Friends of Bill Horn campaign bank account, thereby making cash expenditures of \$100 or more, in violation of Government Code Sections 85201, subdivision (d), and Section 84300, subdivision (d), respectively (Count 1). Respondents also made an expenditure totaling \$851 not directly related to a political, legislative, or governmental purpose, in violation of Government Code Section 89512 (Count 2); and failed to disclose five campaign expenditures of \$100 or more totaling \$11,299, in violation of Government Code Section 84211, subdivisions (i) and (k), (Counts 3 and 4). In addition, Respondent Horn failed to timely report sources of income to him on his 2004 and 2005 annual Statements of Economic Interests, in violation of Government Code Sections 87203 and 87207(Counts 5 and 6).

Ian Trowbridge commented that counts 5 and 6 of the Stipulation be continued for further investigation.

Moved by Commissioner Huguenin and seconded by Commissioner Hodson to approve a decision and order finding a violation of five counts and a \$12,000 monetary penalty, and an \$851 reimbursement to the General Fund for one count .

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.  
The motion passed 5-0.

**Item # 4 In the Matter of Building Industries Association of Central California Political Action Committee (“BIACC PAC”) and Stephen D. Madison, FPPC No. 05/735.** Staff: Senior Commission Counsel Luisa Menchaca and Investigator III Sandra Buckner. Staff presented a proposed Stipulation, Decision and Order on the following matter: Respondents BIACC PAC and Stephen D. Madison violated the Political Reform Act by: 1) failing to file electronically three semi-annual statements (Count 1), in violation of Government Code Section 84605, subdivision (b). Respondents also failed to file in paper format and electronically a pre-election statement (Count 2), in violation of Government Code Sections 84200.7 and 84605, subdivision (b). Finally, Respondents failed to electronically file four late contribution reports within 24 hours of making late contributions totaling \$11,500 (Counts 3 and 4), in violation of Government Code Section 84605, subdivision (b).

Moved by Commissioner Huguenin and seconded by Commissioner Hodson to approve a decision and order finding a violation of four counts and a \$5,725 monetary penalty.  
AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.  
The motion passed 5-0.

**Item # 5 In the Matter of Geoffrey Butler, FPPC No. 06/1008.** Staff: Political Reform Consultant Teri Rindahl. Staff presented a proposed Stipulation, Decision and Order on the following matter: Geoffrey Butler, Marin County Strawberry Design Review Board member, failed to timely file his 2005 annual statement of economic interests in violation of Government Code Section 87300 (1 count).

Moved by Commissioner Huguenin and seconded by Commissioner Hodson approve a decision and order finding a violation of one count and a \$100 monetary penalty.  
AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.  
The motion passed 5-0.

**Item # 6 In the Matter of Cindy Lashbrook, FPPC No. 07/445.** Staff: Political Reform Consultant Teri Rindahl. Staff presented a proposed Stipulation, Decision and Order on the following matter: Cindy Lashbrook, Merced County Planning Commissioner, failed to timely file her assuming office statement of economic interests in violation of Government Code Section 87202 (1 count).

Moved by Commissioner Huguenin and seconded by Commissioner Hodson to approve a decision and order finding a violation of one count and a \$200 monetary penalty.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.  
The motion passed 5-0.

**Item # 7 In the Matter of Kim Manolius, FPPC No. 07/446.** Staff: Political Reform Consultant Teri Rindahl. Staff presented a proposed Stipulation, Decision and Order on the following matter: Kim Manolius, Transbay Joint Powers Agency member, failed to timely file his 2006 annual statement of economic interests in violation of Government Code Section 87300 (1 count).

Moved by Commissioner Huguenin and seconded by Commissioner Hodson to approve a decision and order finding a violation of one count and a \$200 monetary penalty.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.  
The motion passed 5-0.

**Item # 8 Failure to Timely File Major Donor Campaign Statements.** Chief Investigator Sue Straine and Political Reform Consultant Sandy Johnson. The following entities have entered into a stipulation for failing to file major donor campaign statements that were due during calendar years 2004, 2005 and 2006, in violation of Government Code Section 84200:

- a. **In the Matter of Center For Food Safety, FPPC No. 05/769.** Center For Food Safety, of Washington, DC, failed to timely file semi-annual campaign statements disclosing contributions totaling \$59,859.85 in 2004 and 2005 (2 counts).

Moved by Commissioner Huguenin and seconded by Commissioner Hodson to approve a decision and order finding a violation of two counts and an \$800 monetary penalty.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.  
The motion passed 5-0.

- b. **In the Matter of Patricia Keiko Sakamoto, FPPC No. 06/748.** Patricia Keiko Sakamoto, of Laguna Beach, failed to timely file a semi-annual campaign statement disclosing contributions totaling \$14,000 in 2006 (1 count).

Moved by Commissioner Huguenin and seconded by Commissioner Hodson to approve a decision and order finding a violation of one count and an \$800 monetary penalty.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.  
The motion passed 5-0.

- c. **In the Matter of Laconic LLC, FPPC No. 06/758.** Laconic LLC, of Framingham, Massachusetts, failed to timely file a semi-annual campaign statement disclosing contributions totaling \$10,000 in 2006 (1 count).

Moved by Commissioner Huguenin and seconded by Commissioner Hodson to approve a decision and order finding a violation of one count and a \$400 monetary penalty.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.  
The motion passed 5-0.

- d. **In the Matter of Aquarium of the Pacific, FPPC No. 07/122.** Aquarium of the Pacific, of Long Beach, failed to timely file a semi-annual campaign statement disclosing contributions totaling \$10,000 in 2006 (1 count).

Moved by Commissioner Huguenin and seconded by Commissioner Hodson to approve a decision and order finding a violation of one count and a \$400 monetary penalty.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.  
The motion passed 5-0.

- e. **In the Matter of D. Michael Van Konynenburg, FPPC No. 07/323.** D. Michael Van Konynenburg, of Pacific Palisades, failed to timely file a semi-annual campaign statement disclosing contributions totaling \$13,000 in 2006 (1 count).

Moved by Commissioner Huguenin and seconded by Commissioner Hodson to approve a decision and order finding a violation of one count and a \$400 monetary penalty.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.  
The motion passed 5-0.

- f. **In the Matter of Christian Larsen, FPPC No. 07/383.** Christian Larsen, of San Francisco, failed to timely file a semi-annual campaign statement disclosing contributions totaling \$22,300 in 2006 (1 count).

Moved by Commissioner Huguenin and seconded by Commissioner Hodson to approve a decision and order finding a violation of one count and a \$400 monetary penalty.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.  
The motion passed 5-0.

- g. **In the Matter of Paulette Delgado-Matich, FPPC No. 07/417.** Paulette Delgado-Matich, of Yucaipa, failed to timely file a semi-annual campaign statement disclosing contributions totaling \$12,700 in 2006 (1 count).

Moved by Commissioner Huguenin and seconded by Commissioner Hodson to approve a decision and order finding a violation one count and a \$400 monetary penalty.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.  
The motion passed 5-0.

- h. **In the Matter of Kellie Burum, FPPC No. 07/418.** Kellie Burum, of Upland, failed to timely file semi-annual campaign statements disclosing contributions totaling \$31,900 in 2006 (2 counts).

Moved by Commissioner Huguenin and seconded by Commissioner Hodson to approve a decision and order finding a violation of two counts and an \$800 monetary penalty.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.  
The motion passed 5-0.

**Item # 9 Failure to Timely File Late Contribution Reports – Proactive Program.**

Chief Investigator Sue Straine and Political Reform Consultant Sandy Johnson. The following persons/entities have entered into a stipulation for failure to file a late contribution report in 2004 or 2006 in violation of Government Code Section 84203:

- a. **In the Matter of Paulette Delgado-Matich, FPPC No. 07/196.** Paulette Delgado-Matich, of Yucaipa, failed to timely disclose a late contribution totaling \$22,300 (1 count).

Moved by Commissioner Huguenin and seconded by Commissioner Hodson to approve a decision and order finding a violation of one count and a \$3,345 monetary penalty.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.  
The motion passed 5-0.

- b. **In the Matter of Center for Food Safety, FPPC No. 07/427.** Center for Food Safety, of Washington, DC, failed to timely disclose a late contribution totaling \$20,000 (1 count).

Moved by Commissioner Huguenin and seconded by Commissioner Hodson to approve a decision and order finding a violation of one count and a \$3,000 monetary penalty.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.  
The motion passed 5-0.

- c. **In the Matter of The International Forum On Globalization, FPPC No. 07/333.** The International Forum On Globalization, of San Francisco, failed to timely disclose late contributions totaling \$17,036.75 (8 counts).

Moved by Commissioner Huguenin and seconded by Commissioner Hodson to approve a decision and order finding a violation of eight counts and a \$2,555.51 monetary penalty.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.  
The motion passed 5-0.

- d. **In the Matter of Christian Larsen, FPPC No. 07/412.** Christian Larsen, of San Francisco, failed to timely disclose a late contribution totaling \$17,300 (1 count).

Moved by Commissioner Huguenin and seconded by Commissioner Hodson to approve a decision and order finding a violation of one count and a \$2,595 monetary penalty.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.  
The motion passed 5-0.

**Item # 10 Prenotice Discussion of Proposed Regulation 18530.31.** Staff: Senior Commission Counsel Lawrence T. Woodlock and General Counsel Scott Hallabrin. Staff

proposed that the Commission approve publication of notice for adoption of Regulation 18530.31 to interpret the critical language of Government Code Section 85303, which applies contribution limits to committees when the contribution is made or used “for the purpose of making contributions to candidates for elective state office.”

Lance Olson, from the Law Offices of Olson Hagel & Fishburn, LLP, representing the California Democratic Party, commented in opposition to staff’s proposal.

Charles H. Bell, Jr., from Bell, McAndrews & Hiltachk, LLP, representing the California Republican Party and other trade associations, commented in opposition to staff’s proposal.

Laurence E. Zackson of Reich, Adell & Cvitan, on behalf of several committees that he represents, commented in opposition to staff’s proposal.

Keith W. Carlson, Treasurer of the California Republican Party, commented in opposition to staff’s proposal.

Moved by Chairman Johnson and seconded by Commissioner Hodson to publish notice of the proposed adoption of Regulation 18530.4 as proposed by staff.

Commissioner Leidigh made a substitute motion to also include Mr. Bell’s proposal, as modified, and Commissioner Huguenin seconded the substitute motion.

AYES: Commissioners Leidigh and Huguenin.

NAYS: Commissioners Remy, Hodson, and Chairman Johnson.

The motion failed 3-2.

The original motion moved by Chairman Johnson and seconded by Commissioner Hodson.

AYES: Commissioners Remy, Leidigh, Hodson, and Chairman Johnson.

NAYS: Commissioner Huguenin.

The motion passed 4-1.

**Item # 11 Prenotice Discussion of Proposed Amendments to Regulation 18530.4 - Legal Defense Funds.** Staff: Commission Counsel Emelyn Rodriguez and General Counsel Scott Hallabrin. Staff proposed that the Commission approve publication of notice for proposed amendments to clarify existing provisions of and add requirements to the Commission's regulation on legal defense funds regarding: the establishment of the legal defense account and controlled committee; required recordkeeping and audits; limitations on the use of legal defense funds; disposition of remaining funds; and termination and reopening of a legal defense committee.

Moved by Commissioner Huguenin and seconded by Commissioner Hodson to publish notice of the proposed amendments to Regulation 18530.4

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.

The motion passed 5-0.

**Item # 12 Prenotice Discussion of Proposed Regulation 18531.2 – Allocating Expenditures Between Primary and General Elections.** Staff: Commission Counsel Valentina Joyce, Technical Assistance Chief Carla Wardlow and General Counsel Scott Hallabrin. Government Code Section 85318 requires state candidates who lost in the primary election to refund contributions received for the general election. These refunds may be reduced by expenditures made toward the general election. The proposed regulation clarifies the rules for determining whether an expenditure is allocable to the primary or general election.

Moved by Commissioner Remy and seconded by Commissioner Huguenin to publish notice of the proposed amendments to Regulation 18531.2.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.  
The motion passed 5-0.

**Item # 13 September 2007 - Work Plan Revisions.** Staff: Assistant General Counsel John W. Wallace and General Counsel Scott Hallabrin. Staff proposed various changes to the regulatory calendar as part of the quarterly review of the work plan.

Moved by Commissioner Remy and seconded by Commissioner Leidigh to adopt proposed work plan revisions.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.  
The motion passed 5-0.

**Item # 14 Legislative Report.** Staff: Government Affairs Director Whitney Barazoto. Commissioner Remy asked about the Commission's legislative process. He asked for a description of the Commission's role in the legislative process, the process by which the Commission takes positions on bills and how the Commission's participation could be enhanced. Commissioner Leidigh agreed and asked to have the opportunity to review and comment on legislative proposals and on bills as they are amended and move through the process.

**Item # 15 Litigation Report.** Staff: General Counsel Scott Hallabrin, as submitted.

**Item # 16 Executive Director's Report.** Staff: Executive Director Michael B. Salerno, as submitted.

**Item # 17 Chairman's Report.** Chairman Ross Johnson.

Chairman Johnson commented on the Commission having made it through the budget process. He thanked Tina Bass, Bob Tribe and Whitney Barazoto for their work on the budget. He also announced that Bob Tribe is stepping down as Director of the Administrative Division. Chairman Johnson acknowledged Bob Tribe's help, and announced that Tina Bass will be the new Director of Administration. Beth Manwaring currently in the Enforcement Division will be the new Executive Secretary for the Executive Division.

Commissioner Remy moved that a formal appreciation for Luisa Menchaca and Bob Tribe would be appropriate and wished them well. Chairman Johnson seconded. Commissioner Leidigh suggested that formal appreciation in the form of a Commission resolution would be appropriate.

Chairman Johnson adjourned open session at 12:38 a.m. and stated that the Commission would immediately adjourn into closed session.

The Commission reconvened into open session and Chairman Johnson advised that no reportable action was taken in closed session and adjourned the meeting at 1:26 p.m..

Dated: September 18, 2007

Respectfully submitted,

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Juanita Lira, Legal Secretary

Approved by:

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Ross Johnson, Chairman